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DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Part 744

[Docket No. 120504049-1049-01]

RIN 0694-AF69

Addition of Certain Persons to the Entity List

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Final rule.

SUMMARY: This rule amends the Export Administration Regulations (EAR) by adding nine persons to the Entity List. The persons who are added to the Entity List have been determined by the U.S. Government to be acting contrary to the national security or foreign policy interests of the United States. These persons will be listed on the Entity List under the destination of China.

DATE: *Effective Date:* This rule is effective [INSERT DATE OF PUBLICATION IN FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT:

Karen Nies-Vogel, Chair, End-User Review Committee, Office of the Assistant Secretary, Export Administration, Bureau of Industry and Security, Department of Commerce, Phone: (202) 482-5991, Fax: (202) 482-3911, E-mail: ERC@bis.doc.gov.

SUPPLEMENTARY INFORMATION:

Background

The Entity List (Supplement No. 4 to Part 744) notifies the public about entities that have engaged in activities that could result in an increased risk of the diversion of exported, reexported or transferred (in-country) items to weapons of mass destruction (WMD) programs. Since its initial publication, grounds for inclusion on the Entity List have expanded to include activities sanctioned by the State Department and activities contrary to U.S. national security or foreign policy interests, including terrorism and export control violations involving abuse of human rights. Certain exports, reexports, and transfers (in-country) to entities identified on the Entity List require licenses from BIS and are usually subject to a policy of denial. The availability of license exceptions in such transactions is very limited. The license review policy for each entity is identified in

the license review policy column on the Entity List and the availability of license exceptions is noted in the Federal Register notices adding persons to the Entity List. BIS places entities on the Entity List based on certain sections of part 744 (Control Policy: End-User and End-Use Based) of the EAR.

The End-user Review Committee (ERC), composed of representatives of the Departments of Commerce (Chair), State, Defense, Energy and, where appropriate, the Treasury, makes all decisions regarding additions to, removals from, or other modifications to the Entity List. The ERC makes all decisions to add an entry to the Entity List by majority vote and all decisions to remove or modify an entry by unanimous vote.

ERC Entity List Decisions

Additions to the Entity List

This rule implements the decision of the ERC to add nine persons under nine entries to the Entity List on the basis of § 744.11 (License requirements that apply to entities acting contrary to the national security or foreign policy interests of the United States) of the EAR. The nine entries added to the Entity List consist of nine entries in China.

The ERC reviewed § 744.11(b) (Criteria for revising the Entity List) in making the determination to add these nine persons to the Entity List. Under that paragraph, persons for whom there is reasonable cause to believe, based on specific and articulable

facts, have been involved, are involved, or pose a significant risk of being or becoming involved in, activities that are contrary to the national security or foreign policy interests of the United States and those acting on behalf of such persons may be added to the Entity List. Paragraphs (b)(1) through (b)(5) of § 744.11 include an illustrative list of activities that could be contrary to the national security or foreign policy interests of the United States.

The nine persons being added have been determined by the ERC to be involved in activities that are contrary to the national security or foreign policy interests of the United States, specifically the activities described under paragraphs (b)(2) and (b)(5) of § 744.11.

The ERC has reasonable cause to believe that the nine persons, who are being added under nine entries in this rule and are located in China, have supplied Iran's ballistic missile program through the Chinese proliferator Li Fangwei (a.k.a. Karl Lee). Since 2004, at least one of Li's companies or Li has been designated by the Department of State under the Iran North Korea and Syria Nonproliferation Act (INKSNA) sanctions or by the Department of the Treasury's Office of Foreign Assets Control (OFAC) under Executive Order 13392 on the basis of support to Iran's ballistic missile program. The nine persons are as follows: Beijing Aeronautical Manufacturing Technology Research Institute, Chengdu Latest Electronics Technology Company, Dalian Ligong Safety Equipment Company Limited, Fushun Jinly Petrochemical Carbon Co., Ltd., Liaoyang Carbon Co., Ltd., Shanghai Hentong Optics Technology Limited, Weihai New Era Chemical Industrial Company Limited, Xinghe Xingyong Carbon Co., Ltd. and Zhu Kuibao.

Pursuant to § 744.11(b)(2) and (b)(5) of the EAR, the ERC determined that the conduct of these nine persons raises sufficient concern that prior review of exports, reexports, or transfers (in-country) of items subject to the EAR involving these persons, and the possible imposition of license conditions or license denials on shipments to the persons, will enhance BIS's ability to prevent violations of the EAR.

For the Beijing Aeronautical Manufacturing Technology Research Institute, the ERC specified a license requirement for all items subject to the EAR, and established a license application review policy of presumption of approval for EAR99 items and case-by-case review for all items on the Commerce Control List. For the other eight persons recommended for addition, the ERC specified a license requirement for all items subject to the EAR and a license review policy of presumption of denial. The license requirements apply to any transaction in which items are to be exported, reexported, or transferred (in-country) to any of the persons or in which such persons act as purchaser, intermediate consignee, ultimate consignee, or end-user. In addition, no license exceptions are available for exports, reexports, or transfers (in-country) to the persons being added to the Entity List in this rule.

This final rule adds the following nine persons to the Entity List:

China

(1) Beijing Aeronautical Manufacturing Technology Research Institute, a.k.a., the following two aliases:

-BAMTRI; and

-Aviation Industry Corporation of China's (AVIC) Institute 625.

No. 1 East Military Village, North Baliqiao Station, Chaoyang District, Beijing, China;

and

Xue Yuan Road No. 37, HaiDian District, Beijing, China;

(2) Chengdu Latest Electronics Technology Company,

No. 2069 West Yuanda Road, Pixian Modern Industry Harbor South District, Chengdu,

Sichuan, China 611730; and Suite 1-6-1702, West Diaoyu Yaijia Garden, Haidian

District, Beijing, China 100142;

C8-1-402 Xiduan Zhonghua Century City, Technology Road, Xian China 710075; and 2-

308 No. 115 Hongshan Road, Nanjing, China 210018;

(3) Dalian Ligong Safety Equipment Company Limited,

No. 26 Liaohe East Road, Double D Port, Economic and Technological Development

Zone, Dalian, China 116620;

(4) Fushun Jinly Petrochemical Carbon Co., Ltd. ,

Room 2104, Jinhui Plaza, No. 16 Dongsi Road, Xinfu District, Fushun, Liaoning, China,

113015; and East of No. 2 Petroleum Factory, Dongzhou District, Fushun, Liaoning,

China, 113004;

(5) Liaoyang Carbon Co., Ltd.,

No. 688 Liuan Road, Liuerpu Economic Development Zone Liaoyang City, Liaoning,
China 11212;

(6) Shanghai Hentong Optics Technology Limited, a.k.a., the following two aliases:

-Shanghai Hengtong Group; *and*

-Shanghai Hengtong Optic-Electric Co., Ltd.

12F Tower A, Fareast International Plaza, 319 Xianxia Road, Shanghai, China;

(7) Weihai New Era Chemical Industrial Company Limited,

No. 985 Fenghua Shan Road, Yangting New Industrial District, Huancui District, Weihai,
China;

(8) Xinghe Xingyong Carbon Co., Ltd.,

Xicheng Wai, Chengguan Town, Xinghe County, Inner Mongolia, China; *and*

(9) Zhu Kuibao,

No. 51 Yongding Rd., Haidian District, Beijing, China; *and*

No. 37 Xueyuan Road, Haidian District, Beijing, China.

Savings Clause

Shipments of items removed from eligibility for a License Exception or export or
reexport without a license (NLR) as a result of this regulatory action that were en route

aboard a carrier to a port of export or reexport, on [INSERT DATE OF PUBLICATION], pursuant to actual orders for export or reexport to a foreign destination, may proceed to that destination under the previous eligibility for a License Exception or export or reexport without a license (NLR).

Export Administration Act

Although the Export Administration Act expired on August 20, 2001, the President, through Executive Order 13222 of August 17, 2001, 3 CFR, 2001 Comp., p. 783 (2002), as amended by Executive Order 13637 of March 8, 2013, 78 FR 16129 (March 13, 2013) and as extended by the Notice of August 8, 2013, 78, 2013, 78 FR 49107(August 12, 2013), has continued the Export Administration Regulations in effect under the International Emergency Economic Powers Act. BIS continues to carry out the provisions of the Export Administration Act, as appropriate and to the extent permitted by law, pursuant to Executive Order 13222.

Rulemaking Requirements

1. Executive Orders 13563 and 12866 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This rule has been determined to be not

significant for purposes of Executive Order 12866.

2. Notwithstanding any other provision of law, no person is required to respond to nor be subject to a penalty for failure to comply with a collection of information, subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) (PRA), unless that collection of information displays a currently valid Office of Management and Budget (OMB) Control Number. This regulation involves collections previously approved by OMB under control number 0694–0088, Simplified Network Application Processing System, which includes, among other things, license applications and carries a burden estimate of 43.8 minutes for a manual or electronic submission. Total burden hours associated with the PRA and OMB control number 0694–0088 are not expected to increase as a result of this rule. You may send comments regarding the collection of information associated with this rule, including suggestions for reducing the burden, to Jasmeet K. Seehra, Office of Management and Budget (OMB), by e-mail to Jasmeet_K._Seehra@omb.eop.gov, or by fax to (202) 395-7285.

3. This rule does not contain policies with Federalism implications as that term is defined in Executive Order 13132.

4. The provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, the opportunity for public comment and a delay in effective date are inapplicable because this regulation involves a military or foreign

affairs function of the United States. (*See* 5 U.S.C. § 553(a)(1)). BIS implements this rule to protect U.S. national security or foreign policy interests by preventing items from being exported, reexported, or transferred (in country) to the persons being added to the Entity List. If this rule were delayed to allow for notice and comment and a delay in effective date, then entities being added to the Entity List by this action would continue to be able to receive items without a license and to conduct activities contrary to the national security or foreign policy interests of the United States. In addition, because these parties may receive notice of the U.S. Government's intention to place these entities on the Entity List if a proposed rule is published, doing so would create an incentive for these persons to either accelerate receiving items subject to the EAR to conduct activities that are contrary to the national security or foreign policy interests of the United States, or to take steps to set up additional aliases, change addresses, and other measures to try to limit the impact of the listing on the Entity List once a final rule was published. Further, no other law requires that a notice of proposed rulemaking and an opportunity for public comment be given for this rule. Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this rule by 5 U.S.C. 553, or by any other law, the analytical requirements of the Regulatory Flexibility Act, 5 U.S.C. 601 et seq., are not applicable. Accordingly, no regulatory flexibility analysis is required and none has been prepared.

List of Subject in 15 CFR Part 744

Exports, Reporting and recordkeeping requirements, Terrorism.

Accordingly, part 744 of the Export Administration Regulations (15 CFR parts 730–774) is amended as follows:

PART 744—[AMENDED]

1. The authority citation for 15 CFR part 744 continues to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; 22 U.S.C. 3201 *et seq.*; 42 U.S.C. 2139a; 22 U.S.C. 7201 *et seq.*; 22 U.S.C. 7210; E.O. 12058, 43 FR 20947, 3 CFR, 1978 Comp., p. 179; E.O. 12851, 58 FR 33181, 3 CFR, 1993 Comp., p. 608; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 12947, 60 FR 5079, 3 CFR, 1995 Comp., p. 356; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13099, 63 FR 45167, 3 CFR, 1998 Comp., p. 208; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; E.O. 13224, 66 FR 49079, 3 CFR, 2001 Comp., p. 786; Notice of August 8, 2013, 78 FR 49107 (August 12, 2013); Notice of September 18, 2013, 78 FR 58151 (September 20, 2013); Notice of November 7, 2013, 78 FR 67289 (November 12, 2013); Notice of January 21, 2014, 79 FR 3721 (January 22, 2014).

2. Supplement No. 4 to part 744 is amended by adding under China, in alphabetical order, nine Chinese entities; the additions read as follows:

Supplement No. 4 to Part 744 - Entity List

Country	Entity	License requirement	License review policy	Federal Register citation

CHINA, PEOPLE'S REPUBLIC OF	*****			
	<p>Beijing Aeronautical Manufacturing Technology Research Institute, a.k.a., the following two aliases: -BAMTRI; <u>and</u> -Aviation Industry Corporation of China's (AVIC) Institute 625.</p> <p>No. 1 East Military Village, North Baliqiao Station, Chaoyang District, Beijing, China; <u>and</u> Xue Yuan Road No. 37, HaiDian District, Beijing, China.</p>	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of approval for EAR99; case-by-case review for all items on the CCL.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	<p>Chengdu Latest Electronics Technology Company,</p> <p>No. 2069 West Yuanda Road, Pixian Modern Industry Harbor South District, Chengdu, Sichuan, China 611730; <u>and</u> Suite 1-6-1702, West Diaoyu Yaijia Garden, Haidian District, Beijing, China 100142; <u>and</u> C8-1-402 Xidian Zhonghua Century city, Technology Road, Xian, China 710075; <u>and</u> 2-308 No. 115 Hongshan Road, Nanjing, China 210018.</p>	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	<p>Dalian Ligong Safety Equipment Company Limited,</p> <p>No. 26 Liaohe East Road, Double D Port, Economic and Technological Development Zone, Dalian, China 116620.</p>	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	<p>Fushun Jinly Petrochemical Carbon Co., Ltd.,</p> <p>Room 2104, Jinhui Plaza, No. 16 Dongsu Road, Xinfu District, Fushun, Liaoning, China; <u>and</u> 113015 East of No. 2 Petroleum Factory, Dongzhou District, Fushun, Liaoning, China, 113004.</p>	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	<p>Liaoyang Carbon Co., Ltd.,</p> <p>No. 688 Liuan Road, Liuerpu Economic Development Zone, Liaoyang City, Liaoning, China 11212.</p>	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	<p>Shanghai Hengtong Optics Technology Limited, a.k.a., the following two aliases: -Shanghai Hengtong Group; <u>and</u> -Shanghai Hengtong Optic-Electric Co., Ltd.</p> <p>12F Tower A, Fareast International Plaza, 319 Xianxia Road, Shanghai, China.</p>	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	Weihai New Era Chemical Industrial Company Limited, No. 985 Fenghua Shan Road, Yangting New Industrial District, Huancui District, Weihai, China.	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	Xinghe Xingyong Carbon Co., Ltd., Xicheng Wai, Chengguan Town, Xinghe County, Inner Mongolia, China.	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	Zhu Kuibao, No. 51 Yongding Rd., Haidian District, Beijing, China; <u>and</u> No. 37 Xueyuan Road, Haidian District, Beijing, China.	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Dated: April 28, 2014.

Matthew S. Borman

Deputy Assistant Secretary

for Export Administration

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